

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re

Chapter 11

Refreshing USA, LLC,

Case No. 24-33919 (ARP)

(Jointly Administered)

Debtors¹.

**DEBTORS' SECOND EMERGENCY MOTION FOR EXTENSION OF TIME
TO FILE SCHEDULES, STATEMENT OF FINANCIAL AFFAIRS,
AND OTHER DOCUMENTS REQUIRED BY BANKRUPTCY RULE 1007**

EMERGENCY RELIEF HAS BEEN REQUESTED. RELIEF IS REQUESTED NOT LATER THAN 2:00 P.M. (PREVAILING CENTRAL TIME) ON OCTOBER 30, 2024. IF YOU OBJECT TO THE RELIEF REQUESTED OR YOU BELIEVE THAT EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU MUST APPEAR AT THE HEARING IF ONE IS SET, OR FILE A WRITTEN RESPONSE PRIOR TO THE DATE THAT RELIEF IS REQUESTED IN THE PRECEDING PARAGRAPH. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

A HEARING WILL BE CONDUCTED ON THIS MATTER ON OCTOBER 30, 2024, AT 2:00 PM (PREVAILING CENTRAL TIME).

PARTICIPATION AT THE HEARING WILL ONLY BE PERMITTED BY AN AUDIO AND VIDEO CONNECTION. AUDIO COMMUNICATION WILL BE BY USE OF THE COURT'S DIAL-IN FACILITY. YOU MAY ACCESS THE FACILITY AT 832-917-1510. ONCE CONNECTED, YOU WILL BE ASKED TO ENTER THE CONFERENCE ROOM NUMBER. JUDGE PEREZ'S CONFERENCE ROOM NUMBER IS 590153.

VIDEO COMMUNICATION WILL BE BY USE OF THE GOTOMEETING PLATFORM. CONNECT VIA THE FREE GOTOMEETING APPLICATION OR CLICK THE LINK ON JUDGE PEREZ'S HOME PAGE. THE MEETING CODE IS "JUDGE PEREZ". CLICK THE SETTINGS ICON IN THE UPPER RIGHT CORNER AND ENTER YOUR NAME UNDER THE PERSONAL INFORMATION SETTING. HEARING APPEARANCES MUST BE MADE ELECTRONICALLY IN ADVANCE OF BOTH ELECTRONIC AND IN-PERSON HEARINGS. TO MAKE YOUR APPEARANCE, CLICK THE "ELECTRONIC APPEARANCE" LINK ON JUDGE PEREX'S HOME PAGE. SELECT THE CASE NAME, COMPLETE THE REQUIRED FIELDS AND CLICK "SUBMIT" TO COMPLETE YOUR APPEARANCE.

¹ Debtors and debtors-in-possession in these Chapter 11 cases ("Bankruptcy Case(s)"), along with the last four digits of their respective Employer Identification Numbers, are as follows: Refreshing USA, LLC (85-3358945) ("Refreshing"), Case No. 24-33919; Water Station Management LLC (81-1202716) ("Water Station"), Case No. 24-33924; and Creative Technologies, LLC (46-2581888) ("Creative" and, together with Refreshing and Water Station, "Debtors"), Case No. 24-33934. Debtors' mailing address is: 2732 Grand Ave., Ste. 122, Everett, WA 98201.

Debtors and Debtors-in-Possession Refreshing USA, LLC (“Refreshing”), Water Station Management LLC (“Water Station”), and Creative Technologies, LLC (“Creative,” together with Refreshing and Water Station, “Debtors”), respectfully request entry of an order, substantially in the form attached hereto, extending the Debtors’ time to file the Schedules, Statement of Financial Affairs, and other documents, required by Bankruptcy Rule 1007, as to Refreshing and Water Station, to November 22, 2024, which is the current deadline as to Creative. In support of this Motion, Debtors submit the Declaration of Brian Weiss, which is attached hereto as **Exhibit A**. In further support of this motion, Debtors state as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this Motion under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases and this Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

2. The legal predicates for the relief requested herein are Bankruptcy Rule 1007, Local Bankruptcy Rule 9013-1, and the Procedures for Complex Cases in the Southern District of Texas (Effective September 18, 2024) Paragraph K(30).

BACKGROUND AND MOTION

3. Debtors are incorporated and headquartered in Washington. Debtors collectively operate water machine and vending machine businesses. Creative previously manufactured and sold water purification machines. Water Station services water machines purchased by investors. Refreshing owns and operates vending machines. Refreshing is also the central financial clearinghouse for all machines and all revenue generated by the Debtors. Ryan Wear or Tyler Sadek is believed to be the majority owner of each of the Debtors. The claims against Debtors and its affiliates likely exceed \$200 million.

4. In May 2024, the Superior Court of King County, Washington, (“Washington Court”) appointed Turning Point Strategic Advisors (“Receiver”) as a general receiver over each of the Debtors. On August 23, 2024, the Washington Court issued an Order under the Washington Consumer Protection Act and under its equitable powers in receivership to remove Ryan Wear as Manager of the Debtors and replace him with Eric Camm as Manager (“Removal Order”).

5. On August 27, 2024, Chapter 11 Involuntary Petitions were filed against each of Debtors under Chapter 11 of the Bankruptcy Code (collectively, the "Chapter 11 Cases").

6. On October 2, 2024, the Court entered Orders for Relief pursuant to 11 U.S.C. § 303(h) as to Refreshing and Water Station.

7. On October 14, 2024, Debtors retained Brian Weiss of Force Ten Partners, LLC (“Force 10”) as the proposed chief restructuring officer and has filed an application to employ same.

8. On October 16, 2024, the Court entered Orders Granting Debtors’ Emergency Motion for Extension of Time to File Schedules Statement of Financial Affairs, and Other Documents Required by Bankruptcy Rule 1007 as to Refreshing and Water Station, extending the deadline for Refreshing and Water Station to file their Schedules, Statement of Financial Affairs, List of Equity Security Holders, list of creditors that hold the 20 largest unsecured claims (the “Top 20 List”), and a corporate ownership statement containing the information described in Rule 7007.1, pursuant to Bankruptcy Rule 1007(a)(1) (the “Corporate Ownership Statement”), to October 30, 2024.²

² Debtors originally requested an extension until November 15, 2024, but the Court only granted an extension until October 30.

9. On October 23, 2024, the Court entered Orders for Relief pursuant to 11 U.S.C. § 303(h) as to Creative, which Order extended the deadlines established by Bankruptcy Rule 1007 by 30 days, to November 22, 2024 [Case No. 24-33934, Dkt. 106].

10. Debtors filed their Top 20 Lists in each of the Chapter 11 Cases on October 24, 2024.

11. On October 27, 2024, the Court entered Orders Directing Joint Administration of the Chapter 11 Cases and (2) Granting Related Relief as to Refreshing and Water Station. October 28, 2024, the Court entered an Order Directing Joint Administration of the Chapter 11 Cases and (2) Granting Related Relief as to Creative.

12. On October 27, 2024, the Court entered Orders Granting Complex Case Treatment as to Refreshing and Water Station. On October 28, 2024, the Court entered an Order Granting Complex Case Treatment as to Creative.

13. On October 28, 2024, the Chapter 11 Cases were reassigned to Judge Alfredo R. Perez under the complex case procedures.

14. No committee of unsecured creditors has been appointed in Debtors' case.

15. In working as the Receiver and custodian of Debtors, Turning Point was denied access to key financial databases, learned that (a) Debtors' accounting software had not been maintained through 2024, and (b) Debtors' former management could not allocate cash flow between the Debtors and their affiliates. Until very recently, Turning Point received very little cooperation from Mr. Wear or any other principals and managers of Debtors. Accordingly, a complete understanding of Debtors' financial and business records, operations, assets, liabilities, and creditors, is currently lacking.

16. Force 10 was retained by Debtors on October 14, 2024, and has since been working diligently and with urgency, alongside and in cooperation with Turning Point, to accurately complete the Schedules, Statements of Financial Affairs, List of Equity Security Holders, and Corporate Ownership Statement. Force 10 has also spent considerable time getting up to speed on Debtors' operations, analyzing liquidity, and interfacing with various creditor constituencies. Given above-described deficiencies in Debtors' records, and the unusual circumstances of these very complex involuntary cases, Debtors request additional time to ensure the Schedules, Statements of Financial Affairs, List of Equity Security Holders, and Corporate Ownership Statement are complete and accurate.

17. Indeed, Creative already has until November 22, 2024, to file these documents. Debtors are requesting that Water Station and Refreshing be granted the same deadline.

18. Debtors therefore request a 23-day extension, as to Refreshing and Water Station, to complete and file Debtors' Schedules, Statements of Financial Affairs, Lists of Equity Security Holders, and Corporate Ownership Statements, from October 30, 2024, to **November 22, 2024**, which is the current deadline for Creative to file the same documents. This extension will not prejudice any party.

NOTICE

19. Debtors will provide notice of this Motion to the following parties or their respective counsel: (a) the Office of the United States Trustee; (b) the Debtors; (c) the attorneys for Debtors; (d) secured creditor First Fed Band; (e) those persons who have formally appeared and requested notice of service in this proceeding pursuant to Bankruptcy Rule 2002; and (f) the holders of the 20 largest unsecured claims against each of the Debtors. In light of the nature of the relief requested, and the exigent circumstances of these cases, Debtors submit that no further notice is necessary.

WHEREFORE, Debtors respectfully request that they be granted an extension of time through November 22, 2024, within which to file their Schedules, Statement of Financial Affairs, and other documents required by Bankruptcy Rule 1007.

Dated this 28 day of October, 2024.

Respectfully submitted,

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Attorneys for Debtors

RULE 9013-1(i) CERTIFICATE

I certify that the foregoing statements are true and accurate to the best of my knowledge. This statement is being made pursuant to Bankruptcy Local Rule 9013-1(i).

By s/ Danny Newman

Danny Newman

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas, on October 28, 2024.

By s/ Danny Newman

Danny Newman

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